

Arizona Health Care Cost Containment System



**FINANCIAL REPORTING GUIDE FOR
ALTCS PROGRAM CONTRACTORS**

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Arizona Health Care Cost Containment System**

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DEFINITIONS

The definitions in this Guide are in addition to the contractual definitions found in Section C in the ALTCS EPD Contract.

Behavioral Health Services: Services provided to ALTCS members who have had or are having psychological problems.

Contractor: An organization or entity agreeing through a direct contracting relationship with the AHCCCS Administration to provide those goods and services specified by contract.

Day: Calendar day.

Financial Package: The package of financial documents to be submitted to AHCCCS/DHCM.

Inpatient: A patient who is provided with room, board, and general nursing services in a hospital setting and is expected to remain at least overnight and occupy a bed.

Institutional: Provide inpatient room, board and nursing services to members who require services on a continuous basis but who do not require hospital care or direct daily care from a physician.

Materiality: Variance of plus or minus 5% or more.

Outpatient: A patient who is not confined overnight in a health care institution.

Prescription Drugs: Establishment where prescription orders are compounded and dispensed by, or under the direct supervision of, a licensed pharmacist and which is registered pursuant to A.R.S. §32-18.

Physician Services: Services provided within the scope of practice of medicine or osteopathy as defined by state law or by or under the personal supervision of an individual licensed under State law to practice medicine or osteopathy, and excludes those services routinely performed and not directly related to the medical care of the individual patient.

Radiology Services: Services that incorporate the use of ionizing radiation and other forms of energy for the prevention, treatment and diagnosis of disease.

SSI: Supplement Security Income under Title XVI of the SSA as amended.

Sub-Capitation: A fixed premium paid by a Contractor to a provider of health care services with whom the Contractor has contracts. This would include salaried compensation arrangements.

Third Party: An individual, entity or program that is or may be liable to pay all or part of the medical cost of injury, disease or disability of an AHCCCS applicant or member.

Withhold: The amount withheld from payments to providers. This amount is typically accounted for as any other medical expense and accrual. At the end of a designated period, the Contractor withholding the funds determines whether or not they will be distributed in part or full to the related providers. This practice is used to ensure Contractor solvency and profitability.

ACRONYMS

<u>ACRONYM</u>	<u>DEFINITION</u>
ADHS	Arizona Department of Health Services
AHCCCS	Arizona Health Care Cost Containment System
AICPA	American Institute of Certified Public Accountants
ALTCS	Arizona Long Term Care Services
BFO	Bureau of Financial Operations / Division of Behavioral Health Services
CMHS	Center for Mental Health Services (Block Grant)
DBHS	Division of Behavioral Health Services, Arizona Department of Health Services
DHCM	Division of Health Care Management
FASB	Financial Accounting Standards Board
GAAP	Generally Accepted Accounting Principles
GSA	Geographical Service Area
IBNR	Incurred But Not Reported (claim)
OFR	Office of Financial Review
RBHA	Regional Behavioral Health Authority
RBUC	Reported But Unpaid Claim
SAPT	Substance Abuse Prevention and Treatment (Block Grant)
SFAS	FASB Statement of Financial Accounting Standards
SOP	AICPA – Statement of Position
SOC	Share of Cost
TRBHA	Tribal Regional Behavioral Health Authority
T/RBHA	Refers to both Tribal and Regional Behavioral Health Authorities

1.0 GENERAL INFORMATION

1.01 Purpose and Objective of the Guide

The purpose of the Guide for Arizona Long Term Care System (ALTCS) Contractors with the Arizona Health Care Cost Containment System (AHCCCS) is to set forth the monthly, quarterly and annual reporting requirements for ALTCS contracting Contractors. The primary objective of the Guide is to establish consistency and uniformity in financial reporting. This Guide is neither intended to limit the scope of audit procedures to be performed during the Contractor's annual certified audit, nor to replace the independent Certified Public Accountant's judgment as to the work to be performed. It is merely a supplement to the contract.

Financial statements must be prepared and presented on the accrual basis and in accordance with Generally Accepted Accounting Principles (GAAP) and all other applicable authoritative literature.

If there are any inconsistencies between the Guide and any contract provisions, the contract provisions shall prevail. This Guide is not intended nor should it be construed as an all-inclusive manual. The format and content of the required reports are subject to change. Questions regarding the format of a report are to be directed to the AHCCCS DHCM/ALTCS Financial Consultant.

Contractors are required to utilize the Financial Statement Reporting Templates provided by the DHCM/ ALTCS Unit unless specifically labeled as optional.

2.0 Financial Reporting Requirements
Effective Dates and Reporting time frames

Periodic Reporting Requirements Matrix
Report Due Dates

Report	Monthly Reporting 30 days post month-end	Quarterly Reporting 60 days post quarter-end	Draft Audit 90 days post year-end	Final Audit 120 days post year-end	Other Ad Hoc As requested
Monthly/Quarterly Certification Statement	X	X			
Financial Statement Template		X			
Balance Sheet Report – Part A: Assets		X	X	X	
Balance Sheet Report- Part B: Liabilities & Equity		X	X	X	
Revenue & Expenses Statement		X	X	X	
Investments Reports		X			
Other Assets Report		X			
Other Liabilities Report		X			
Medical Claims Payable Report - RBUCs & IBNR		X	X	X	
Claims Lag Reports Prospective		X	X	X	
Long-term debt Report – Other than Affiliates		X			
Profitability by County		X	X	X	
Capitation Receivable detail in Footnote Disclosure		X			
Utilization Report & Combined if required.		X	X	X	
Footnote Disclosure Requirements		X	X	X	
HIV/AIDS Report for Supplemental Payment Calculation		X			
FQHC Reasonable Cost Reimbursement Report		X			
Parent Company Financial statements (If applicable)		X	X	X	
Quarterly Premium Tax Report		X			
Independent Auditor's Report			X	X	
Statement of Cash Flows			X	X	
Listing of Plan Officers and Directors			X	X	
Management Letter			X	X	
Annual Reconciliation			X	X	
Financial Disclosure Statement				X	
Statement of Cash Flows- Quarterly is Optional		X	X	X	
Summary of Contractor's Contract Rates for Services- Due Date: December 1, 2XXX					X
Contractor's Proprietary Format for Monthly Financial reporting	X				

3.00 Instructions for completion of monthly, quarterly and annual reporting forms

3.01 General Instructions

All financial statements must be reported using the accrual basis of accounting. The Contractor shall submit the quarterly reports both electronically and in hard copy using the Financial Statement Reporting Templates provided by the DHCM/ALTCS. Amounts reported to AHCCCS under this guide are to represent the AHCCCS ALTCS line of business independent of any other line of business in which the Contractor may be engaged. The financial statements must at least separate these lines of business in the form of additional supplemental schedules, if they are not separately presented in the financial statements themselves.

Draft annual audited financial statements should be complete with ***all attachments and schedules*** and be as close to final as possible. There should be only non-material changes between the draft and final submissions. Any and all changes between the draft and final audit will be reported in ***detail*** in a footnote disclosure.

Supplemental reports may be submitted separately from the annual financial statements, along with a separate letter from the auditors acknowledging that they have reviewed the supplemental reports. See Section 4.0

Report line titles and columnar headings are detailed in the report specific paragraphs below. Utilize predefined categories or classifications before reporting an amount as "Other". For any material amounts included in the "Other" category, provide details and explanations in the footnotes regarding the content of the account(s). For this purpose, material is defined as an amount $\geq 5\%$ of the total for each section. For example, if Other Income is reported and it is less than 5% of Total Revenues, no disclosure is necessary. However, if Other Income was 8% of Total Revenues, disclosure is necessary.

If information is not available or applicable, write "None", not applicable (N/A), or "-0-" in the space provided.

Where the necessary detail does not exist to adequately report prior period information, this fact must be disclosed in the footnotes to the reports.

All amounts are to be reported in whole dollars only. Contractors may elect to report amounts to the nearest dollar.

3.02 Certification Statement

The purpose of the certification statement is to attest that the information submitted in the reports is current, complete, and accurate. The statement should include the Contractor name, Contractor identification number, month ended or quarter ended, preparer information, and signatures. See Appendix 6.02 for an example of the Certification Statement.

3.03 Financial Statement Reporting Template

The Financial Statement Reporting Template lists the required audit criteria that must be passed prior to the submission of the quarterly financial statements. If the audit check figures do not match, data should be corrected or an explanation should be provided in writing and submitted with the quarterly financial statement-reporting package. See Appendix 6.01

3.04 Monthly Financial Reporting

The Contractors are required to submit monthly financial reporting statements. The format utilized can either be the contractor's proprietary format or the monthly reporting format that is provided within this Guide. See Appendix 6.03

The monthly financial data must be submitted electronically or hard copy format. The submission of the monthly financial data must be 30 days after month end. Please refer to the Periodic Reporting Requirements Matrix in the Contract. The request for monthly reporting equates to copying the ALTCS office on the monthly reporting that is being generated by the Contractor's financial office currently. The Contractor can determine if the monthly financial submission will be completed in proprietary format or the provided DHCM/ALTCS monthly format.

No monthly submission is required during the last month of a calendar quarter end.

3.05 Statement of Financial Position (Balance Sheet-Statement of Net Assets - Governmental Entities)

Current Assets

Assets that are converted into cash, used or consumed within one year from the balance sheet date. Restricted assets for the performance bond, contracts, reserves, etc., are not to be included as current assets.

A/C 105 - Cash and Cash Equivalents

Include: Cash and cash equivalents, available for current use. Cash equivalents are investments maturing 90 days or less from the date of purchase.

Exclude: Restricted cash (and equivalents) and any cash (and equivalents) pledged by the Contractor to satisfy the AHCCCS performance bond requirement.

A/C 110 - Short-term Investments

Include: Investments that are readily marketable and that are to be redeemed or sold within one year of the balance sheet date. See Investments Report for investments that require prior approval from AHCCCS and required detail of this line item.

Exclude: Investments maturing 90 days or less from the date of purchase and restricted securities. Also exclude investments pledged by the Plan to satisfy the AHCCCS performance bond requirement.

A/C 115 - Capitation Receivable from AHCCCS

Include: Net amounts receivable from AHCCCS for capitation including PPC, HIV/AIDS, etc supplements as of the balance sheet date.

- A/C 120 - Reinsurance Receivable
 Include: Billed and unbilled reinsurance, less any advances outstanding from AHCCCS.
- A/C 125 - Investment Income Receivable
 Include: Income earned but not yet received from cash equivalents, investments, on-balance sheet performance bonds, and short and long-term investments.
- A/C 130 - Current Due from Affiliates
 Include: The net amount of receivables due from affiliates expected to be collected within one year of the balance sheet date. Note that only the net amount is reported. All related party transactions that are not conducted in the normal course of business require written prior approval from AHCCCSA. Due from affiliate amounts should be described in the notes to the financial statements.
 Exclude: Amounts due from affiliates resulting from medical claims payable, capitation payable or other medical expense related items and non-current amounts due from affiliates.
- A/C 135 - Risk Pool Receivable
 Include: The amount of risk pool receivables collectible within one year of the balance sheet date. Note that only the net amount is reported. Therefore, there should not be a risk pool receivable and payable at the same time. However, individual risk pools may have either positive or negative balances. See the Risk Pool Receivable Report for required detail of this line item.
- A/C 140 - Other Current Assets
 Include: The total current portion of Other Assets, which will include all other current assets (e.g., income taxes receivable) not accounted for elsewhere on the balance sheet. Any receivables from providers should be accounted for in this line item, and should not be netted against the IBNRs. See Other Assets Report for required detail of this line item.

OTHER ASSETS

- A/C 145 - General Performance Bond
 Include: All cash and investments pledged to meet the AHCCCS performance bond requirement.
 Exclude: Surety bonds or letters of credit that do not represent actual assets of the Contractor.
- A/C 150 - Restricted Cash and Other Assets
 Include: Cash, securities, receivables, etc., whose use is restricted.
 Exclude: Cash and/or investments pledged by the Contractor to satisfy the AHCCCS performance bond requirement.

- A/C 155 - Long-term Investments
 Include: Investments that are to be held longer than one year. See Investments Report for investments that require prior approval from AHCCCSA and required detail of this line item.
 Exclude: Investments pledged by the Contractor to satisfy the AHCCCS performance bond requirement.
- A/C 160 - Non-current Due from Affiliates
 Include: The net amount of receivables due from affiliates not expected to be collected within one year of the balance sheet date. Note that only the net amount is reported. All related party transactions that are not conducted in the normal course of business require written prior approval from AHCCCSA. Non-current Due from affiliate amounts should be described in the notes to the financial statements.
 Exclude: Amounts due from affiliates resulting from medical claims payable, capitation payable or other medical expense related items and current amounts due from affiliates.
- A/C 165 - Other Non-current Assets
 Include: The total non-current portion of Other Assets, which will include all other non-current assets not accounted for elsewhere on the balance sheet. See Other Assets Report for required detail of this line item.

PROPERTY AND EQUIPMENT consists of fixed assets including land, buildings, leasehold improvements, furniture, equipment, etc.

- A/C 170 - Land
 Include: Real estate owned by the Contractor.
- A/C 175 - Buildings
 Include: Buildings owned by the Plan, including buildings under a capital lease, and improvements to buildings owned by the Plan.
 Exclude: Improvements made to leased or rented buildings or offices.
- A/C 180 - Leasehold Improvements
 Include: Capitalizable improvements to facilities not owned by the Plan.
- A/C 185 - Furniture and Equipment
 Include: Medical equipment, office equipment, data processing hardware and software (where permitted), and furniture owned by the Plan, as well as similar assets held under capital leases.
- A/C 190 - Other – Property and Equipment
 Include: All other fixed assets not falling under one of the other specific fixed asset categories.

A/C 195 - Accumulated Depreciation and Amortization
Include: The total of all depreciation and amortization accounts relating to the various fixed asset accounts.

CURRENT LIABILITIES are obligations whose liquidation is reasonably expected to occur within one year from the balance sheet date.

A/C 205 - Accounts Payable
Include: Amounts due to creditors for the acquisition of goods and services (trade and administrative vendors) on a credit basis.

Exclude: Amounts due to providers related to the delivery of health care services.

A/C 210 - Accrued Administrative Expenses
Include: Accrued expenses and management fees and any other amounts, estimated as of the balance sheet date (i.e., payroll, taxes). Also include accrued interest payable on debts.

A/C 215 - Capitation Payable
Include: Net amounts owed to providers for monthly capitation.

Exclude: Capitation amounts payable to AHCCCS as a result of an overpayment. (This amount should be reported in A/C 240 - Other Current Liabilities.)

A/C 220 - Medical Claims Payable
Include: The total from the detail listed in Medical Claims Payable report which will include the total of reported but unpaid claims (RBUCs) and incurred but not reported claims (IBNRs). See the Medical Claims Payable Report.

Exclude: Risk Pool Payables.

A/C 225 - Risk Pool Payable
Include: The net amount of risk pool liabilities payable within one year of the balance sheet date. Note that only the net amount is reported, therefore there should not be a risk pool asset and liability at the same time. However, individual pools may have either positive or negative balances. See Risk Pool Receivable/Payable by Participant Report for required detail of this line item.

A/C 230 - Current Portion of Long-term Debt
Include: The total current portion from the detail listed in the Long Term Debt Report (Other than Affiliates) which will include the principal amount on loans, notes, and capital lease obligations due within one year of the balance sheet date. See Long-Term Debt (Other than Affiliates) Report.

Exclude: Long-term portion of, and accrued interest on loans, notes, and capital lease obligations.

A/C 235 - Current Due to Affiliates
Include: The net amount of payables due to affiliates expected to be paid within one year of the balance sheet date. Note only the net amount is reported. All related party transactions that are not conducted in the normal course of business require written prior approval from AHCCCSA. Due to affiliate amounts should be described in the notes to the financial statements.

Exclude: Amounts due to affiliates resulting from medical claims payable, capitation payable or other medical expense related items and non-current amounts due to affiliates.

A/C 240 - Other Current Liabilities
Include: The total current portion from the detail listed in the Other Liabilities Report, which will include those current liabilities not specifically identified elsewhere (i.e. income taxes payable and capitation amounts payable to AHCCCS). See Other Liabilities Report.

OTHER LIABILITIES are those obligations whose liquidation is not reasonably expected to occur within one year of the date of the balance sheet.

A/C 245 - Non-current Portion of Long-term Debt
Include: The total non-current portion from the detail listed in the Long-term Debt report which will include the long-term portion of principal on loans, notes, and capital lease obligations. See Long-Term Debt (Other than Affiliates) Report for required detail of this line item.

Exclude: Current portion of, and accrued interest on loans, notes, and capital lease obligations.

A/C 250 - Non-current Due to Affiliates
Include: The net amount of payables due to affiliates not expected to be paid within one year of the balance sheet date. Note that only the net amount is reported. All related party transactions that are not conducted in the normal course of business require written prior approval from AHCCCSA. Due to affiliate amounts should be described in the notes to the financial statements.

Exclude: Amounts due to affiliates resulting from medical claims payable, capitation payable or other medical expense related items and current amounts due to affiliates.

A/C 255 - Other Non-current Liabilities
Include: The total non-current portion of Other Liabilities, which will include those non-current liabilities not specifically identified elsewhere. See Other Liabilities Report for required detail of this line item.

EQUITY includes preferred stock, common stock, treasury stock, additional paid-in capital, contributed capital, restricted net assets, unrestricted net assets, and retained earnings/fund balance.

- A/C 505 - Securities
Include the total par value of Stock, or in the case of no-par shares, the stated or liquidation value.
- A/C 510 - Unrestricted Net Assets
- A/C 515 - Restricted Net Assets
- A/C 520 - Additional Paid-in Capital
Include amounts paid and contributed in excess of the par or stated value of shares issued.
- A/C 525 - Contributed Capital
Include:
Capital donated to the Contractor. Describe the nature of the donation as well as any restrictions on this capital in the notes to financial statements.
- A/C 530 - Retained Earnings/Net Assets (Liabilities)
Beginning retained earnings balance for a new fiscal year should agree to the ending retained earnings balance from the previous fiscal year. All activity in equity must be disclosed in the notes to the financial statements.

3.06 Statement of Revenues & Expenses

REVENUES

- A/C 305 - Capitation
Include: Revenue recognized on a prepaid basis from AHCCCS for provision of health care services for AHCCCS eligible ALTCS members.

Exclude: All other capitation, such as DES/DD, and PPC.
- A/C 310 - PPC Capitation
Include: Revenue recognized from AHCCCS for the provision of prior period coverage health care services for AHCCCS eligible ALTCS members.

Exclude: All prospective, DES/DD or AHCCCS acute care.
- A/C 320 - HIV/AIDS Supplement

Include: HIV/AIDS supplement revenue earned as of the statement date.
- A/C 325 - Investment Income
Include: All investment income earned during the period. Interest income and interest expense should not be net together.

- A/C 335- Patient Contributions
 Include: Revenue received by the Contractor from members contributing toward the cost of their long-term care services. This is also termed Member Share of Cost (MSOC).
 Exclude: Patient contribution collected by the nursing facilities or other providers.
- A/C 340- HCBS Placement Reconciliation
 Include: The difference between the HCBS Placement assumed for capitation and actual HCBS placement (due to Contractor from AHCCCS). Please see current year contract for reconciliation formula.
- A/C 345- Share of Cost Reconciliation (SOC)
 Compare the assumed SOC used for capitation and reconcile to the actual SOC assignments (due to Contractor from AHCCCS).
- A/C 330- Other Income (**Specify**)
 Include: Revenue from sources not identified in other revenue categories.
Note: If the total of Other Income is greater than 5% of the total revenues, a footnote disclosure must detail the contents of this account and the reason why it is above 5% of the total revenue.
- A/C 380- Reinsurance
 Include: Prospective reinsurance earned as of the statement date
- A/C 381- PPC Reinsurance
 Include: PPC reinsurance earned as of the statement date.
- A/C 382- Third Party Liability Recoveries
 Include: Revenue from the settlement of accident claims or other third party sources.

EXPENSES All expenses must be reported net of Medicare reimbursement.
 Included in the Guide is the Arizona Local to HIPAA Code Crosswalk to Financial Statements. See Appendix 6.06

Institutional Care Expenses

- Include: Only those expenses for Institutional Care Services (Nursing Facilities). Expense must be reported net of patient SOC contributions, if collected by the nursing facilities. Included in these expenses are therapeutic leave and bed hold days. Therapeutic days should not exceed nine (9) days per year, and bed hold days should not exceed twelve (12) days per year.
- A/C 400- Nursing Home ICF & Bedholds
- A/C 402- SNF Level I
- A/C 404- SNF Level II
- A/C 406- SNF Level III

- A/C 408- Institutional Care
- A/C 410- PPC Institutional Expense
- A/C 412- Share of Cost (SOC) Due from Contractor
Compare the assumed SOC used for capitation and reconcile to the actual SOC assignments.

Home & Community Based Services (HCBS)

- Include: Expenses include compensation for services for members that reside in the defined HCBS setting which include adult foster care, DD group home, individual home, assisted living home, assisted living center, BH Level I, BH Level II, and TBI treatment facility.
- A/C 414- Home Health Nurse
Include: Expenses incurred for intermittent skilled nursing services in a home and community based setting. Skilled nursing services may include health maintenance, continued treatment, or supervision of a health condition.
- A/C 416- Home Health Aide
Include: Expenses incurred for medically supervised and physician ordered intermittent health maintenance, continued treatment or monitoring of a health condition and supporting care with activities of daily living in a home and community based setting.
- A/C 418- Personal Care
Include: Expenses incurred for assistance in meeting essential personal physical needs.
- A/C 420- Homemaker
Include: Expenses incurred for household maintenance in a home and community based setting.
- A/C 422- Home Delivered Meals
Include: All expenses relating to the delivery of meals to members in a home and community based setting.
- A/C 424- Respite Care
Include: Expenses incurred for short-term or intermittent care and supervision in order to provide an interval of rest or relief to family members.
- A/C 426- Attendant Care
Include: Expenses incurred for assistance with homemaking, personal care, general supervision and companionship to members in a home and community based setting.
- A/C 428- Assisted Living Home
Include: Expenses incurred for the alternative residential setting to provide supervision, personal care and/or custodial care services for up to ten (10) adults.

- A/C 430- **Adult Day Health**
 Include: Expenses incurred for planned care and supervision, assistance with medication, recreation, socialization, personal care, personal living skills training, congregate meals, health monitoring and related services such as preventive therapeutic, and restorative health care.
- A/C 432- **Adult Foster Care**
 Include: Expenses incurred for supervision and assistance with activities of daily living and coordination within a family type environment for up to four (4) adult residents.
- A/C 434- **Group Respite**
 Include: Expenses incurred for short-term or intermittent care and supervision, in a group setting, in order to provide an interval of rest or relief to family members.
- A/C 436- **Hospice**
 Include: Expenses incurred for palliative and support care for terminally ill members and their family, or caregivers.
- A/C 438- **Environmental Modifications**
 Include: All expenses incurred for environmental modifications for HCBS members.
- A/C 440- **HCBS Placement Reconciliation**
 The difference between assumed and actual, if the amount is due to AHCCCS (due to Contractor from AHCCCS). Please see current year contract for reconciliation formula.
- A/C 442- **Assisted Living Center**
 Include: Expenses incurred for the approved alternative residential setting composed of individual apartments. To provide general supervision, as well as coordinate supportive living services to members on a 24-hour basis.
- A/C 444- **Other**
 Include: All other expenses not specifically identified in one of the categories defined above. Note, material amounts (greater than 5% of total other HCBS expenses) must be disclosed in the footnotes and will detail the contents of this account and the reason why it is above 5% of the total revenue.

Acute Care Expenses

- Include: Compensation for all acute care services provided to ALTCS members.
- A/C 448- **Inpatient Services (Hospitalization)**
 Include: All forms of compensation for hospital inpatient.
 Exclude: All PPC expenses.
- A/C 450- **Primary Care Physician Services**
 Include: All forms of compensation for primary care delivery, including salary, capitation, and fee-for-service.
- A/C 452- **Referral Physician Services**
 Include: All forms of compensation paid for referral (specialist) physician services.

A/C 454-	Emergency Services Include: Those expenses relating to emergency room services provided on an outpatient basis, including any facility fee.
A/C 456-	Outpatient Facility Include: Outpatient facility expenses incurred for outpatient services. Exclude: Physician expense for surgery (this should be included in Chart of Acct.# 450).
A/C 458-	Pharmacy Include: Pharmacy expenses incurred for outpatient services and psychotropic medications.
A/C 460-	Lab/Radiology Include: Lab and radiology expenses (medical imaging, X-ray) incurred for outpatient services.
A/C 462-	Durable Medical Equipment Include: Medical supplies, medical equipment, prosthetic devices, and oxygen expenses incurred for outpatient services.
A/C 464-	Dental Include: Dental expenses incurred for outpatient services, including outpatient surgery, prescription drugs, lab, and radiology specifically related to a dental diagnosis.
A/C 466-	Transportation Include: Medically necessary transportation, expenses incurred for inpatient and outpatient services.
A/C 468-	Therapies Include: Physical, occupational, respiratory, audiology and speech therapy expenses incurred for outpatient services.
A/C 470-	Outpatient Behavioral Health Include: All outpatient behavioral health related expenses such as: screening, evaluation, individual therapy and counseling, group and/or family therapy and counseling, partial care, emergency/crisis behavioral health care, behavior management, psychosocial rehabilitation. Exclude: Inpatient behavioral health expenses, lab, radiology and psychotropic medications and monitoring.
A/C 471-	PPC Acute Care Expenses Include: Acute care expenses, which cover the period between the effective eligibility, begin date and the current enrollment date.
A/C 472-	Other Include: Those outpatient expenses not specifically identified in one of the categories defined above. Note, material amounts (greater than 5% of total other HCBS expenses) must be disclosed in the footnotes and will detail the contents of this account and the reason why it is above 5% of the total revenue.

Other Medical Expenses

Include all other outpatient expenses not specifically identified in one of the categories defined above.

- A/C 474- Ventilator Dependent
Include: All institutional, HCBS, acute care, and behavioral health expenses incurred for ventilator dependent members.
- A/C 476- Risk Pool Adjustment
Include: All net other risk pool(s) adjustment for the period. See discussion on Risk Pool Accounting, Subsection 4.08.
- A/C 477- PPC-Other Medical Expenses
Include: Those prior period expenses not specifically identified in one of the categories defined above, which cover the period between the effective eligibility begin date and the current enrollment date.
- A/C 479- Other
Include: All other medical expenses that have not specifically been identified in one other the categories defined above.

Case Management Expenses

- A/C 486 - Case Management
Include: Case management expenses, including salaries, benefits, travel and training expenses for the case manager(s), and case management supervisors.

Administrative Expenses are those costs associated with the overall management and operation of the Contractor.

- A/C 484 - Compensation
Include: All forms of compensation, including employee benefits and taxes, to administrative personnel. This includes medical director compensation, whether on salary or contract.

Exclude: Compensation classified as case management.
- A/C 488 - Data Processing
Include: Costs for outside data processing services during the period as well as internal data processing expenses, other than compensation.

Exclude: Compensation for any internal data processing personnel as this is reported in Chart of Acct#484.

- A/C 490 - Management Fees
 Include: Management fees paid or payable by the Contractor for the current period to a parent or an outside management company. Management fees may not be increased without prior approval (in writing) from AHCCCS.
- A/C 492 - Interest Expense
 Include: Interest expense incurred on outstanding debt during the period. Interest income and interest expense should not be net together.
- A/C 494 - Occupancy
 Include: Occupancy expenses incurred, such as rent and utilities, on facilities that are not used to deliver health care services to members.
- A/C 495- Marketing
 Note: All contractors will be required to report their marketing costs on a quarterly basis as a separate line item in the quarterly financial statements. Marketing costs include those activities whose intent is to increase membership. This requirement also applies to any marketing costs included in an allocation from a parent or other related corporation. All marketing costs allocated and otherwise, will be excluded in the determination of capitation rate ranges. Additionally, any contractor not in compliance with the AHCCCS viability criteria indicators, as defined in the RFP, may be restricted from further marketing until the contractor is in compliance with the viability criteria indicators. Please refer to the BBA.
- A/C 496 - Depreciation
 Include: Depreciation on those assets that are not used to deliver health care services to members.
- A/C 497 - Other – Administrative Expenses
 Include: Administrative expenses not specifically identified in the categories above.
- A/C 498- Non-operating Income (Loss)
 Include: Gains and losses on sale of investments and fixed assets during the period and any other non-operating income or loss.
- A/C 499- Provision for Income and / or Premium Taxes
 Include: Provision for income and premium taxes for the period.

3.07 STATEMENT OF CASH FLOWS (Quarterly Submission is Optional)

The Statement of Cash Flows reports the entity's cash flows during the reporting period. The Statement of Cash Flows is designed to fulfill the following: ♦Predict future cash flows ♦Evaluate management decisions ♦show the relationship of net income to changes in the firm's cash. The Statement of Cash Flows evaluates the entity in terms of its' operating, investing, and financing activities. The indirect method is a short-cut method for accrual systems. This report is optional on a quarterly basis. See Appendix 6.05

3.08 FOOTNOTE DISCLOSURE REQUIREMENTS

The independent Certified Public Accountant should follow GAAP and other authoritative pronouncements in preparation of footnotes to the financial statements.

Footnote disclosures are required in order to supplement AHCCCS' understanding of the financial statements and supplemental schedules. **The following list represents minimum** expected disclosures and is **not intended** to be all-inclusive. Disclosures required by GAAP should also be included. If the disclosure does not apply, indicate so by writing "None" or "Not Applicable (N/A)" next to the numbered footnote.

1) Organizational Structure:

Discuss the organization structure, location of its headquarters, and a brief summary of the operations of the Contractor.

2) Summary of Significant Accounting Policies:

Discuss accounting policies relating to significant balance sheet line items such as, but not limited to, cash and cash equivalents, investments and medical claims payable. Specifically, the medical claims payable policy should discuss the methodology used in calculating IBNR balances.

Discuss revenue and expense recognition policies for the following:

- Capitation revenue; Supplemental revenue; PPC Settlement
- Reinsurance revenue
- Other revenue
- Medical expenses
- Administrative expenses

3) Other Amounts:

Describe material amounts included in the "other" and "miscellaneous" categories in the Balance Sheet and Statement of Operations. Material amounts are considered greater than 5% of the related total category (i.e., assets, liabilities, revenues, medical expenses, or administrative expenses).

4) Pledges/Assignments and Guarantees:

Describe any pledges, assignments, or collateralized assets and any guaranteed liabilities not disclosed on the balance sheet.

5) Performance Bond:

Disclose the method by which the Contractor satisfied the AHCCCS performance bond requirement for the quarter. This disclosure is required whether or not the amounts are included in the financial statements. Also indicate under or over funding and the associated reasons.

6) Material Adjustments:

Disclose and describe any material adjustments made during the current reporting period, including those adjustments that may relate to a prior period, specifically IBNR adjustments, that affect the financial statements.

7) Claims Payable Analysis:

Explain large fluctuations and/or revisions in estimates and the factors that contributed to the change in IBNR and RBUC balances from the prior quarter. Specifically, address changes in IBNRs and/or RBUCs of more than 10% (on an IBNR or RBUC per member basis). Explanations should detail the amount of the adjustments by quarter and by county. Any major variances and/or adjustments made on supplemental reports # 7 & #8A-D should also be footnoted under this item.

8) Contingent Liabilities:

Provide details of any malpractice or other claims asserted against the Plan, as well as the status of the case, potential financial exposure and expected resolution.

9) Investments:

Long-term investments that may be liquidated without significant penalty within 24 hours, which the Plan would like treated as current assets for calculation of the current ratio, must be disclosed in the footnotes. Descriptions and amounts should be disclosed. (Note that significant penalty in this instance is any penalty greater than 20%.) Also disclose the amount of Unrealized Gains or Losses reported on the financial statements associated with these investments.

10) Due from/to Affiliates (Current and Non-current):

Describe, in detail, the composition of the due to/from affiliates including the name of the affiliate, a description of the affiliation, amount due to/from the affiliate and a description of any significant changes to the line item.

11) Equity Activity:

Disclose all activity in equity, other than net income or net loss.

12) Non-Compliance with Financial Viability Standards and Performance Guidelines:

Disclose any non-compliance with Financial Viability Standards and Performance Guidelines, the factors causing the non-compliance and the plan of action to resolve the issue(s).

Refer to Appendix: Financial Viability Standards – Performance Guidelines

13) Changes in Financial Statement Line Items:

Describe significant changes (greater than 10% on a dollar and/or PMPM basis) in balance sheet and revenue and expense line items. Provide an explanation of the contents of the line item and the reason for the significant fluctuation.

- 14) Prior Period Adjustments:
Disclose and describe any adjustments made to previously submitted financial statements including those adjustments that affect the current quarter's financial statements.

3.09 SUMMARY of CONTRACTOR CONTRACT RATES FOR SERVICES

List the Contractor's unit cost information. See Appendix 6.7

4.0 SUPPLEMENTAL REPORTS

4.01 Report #3 – Investments

List all investments, short-term and long-term, that are included in the Balance Sheet - A/C's 110, 145, and 155. The investment description should include the name of the issuer of the security or instrument. The investments should be separated by type, i.e. bond, stock, etc. Investments not included in any of the specified types listed in the report should be included in "other". The investment category is based on the classification of the investment under FASB Standards (i.e., available-for-sale, held-to-maturity, or trading).

Restricted investments or those pledged to meet the AHCCCS performance bond requirement should be included herein. Such investments should not be included in A/C 145 of the Balance Sheet. All investments, with the exception of U.S. Government Securities, must be approved in advance by AHCCCSA. Approval of the Contractor's Investment Policy may satisfy this requirement.

Carrying Value

Carrying value of an investment is the amount at which it is reflected in the financial statements of an enterprise. Refer to FASB Standards.

Liquid Investment

A liquid investment which matures in less than 90 days from the original date of purchase is a cash equivalent and should be included on Report #1 under A/C 105

Short-term vs. Long term

A short-term investment is an investment that is readily marketable and the intent of management is to convert the asset into cash within one year. All investments not meeting the definition of short-term or cash equivalent should be reported as long-term investments. Enter the amortized cost and market value of each investment in the appropriate column on Report #3.

4.02 Report #4: Risk Pool Receivable/Payable by Participant Report

List all participants in the risk pool(s) and their risk pool type (i.e., hospital, physician, or other). Include the end of period risk pool balance. The ending balance for the total of all participants should agree to the Balance Sheet - A/C 135 (if receivable) or - A/C 225 (if payable).

4.03 Report #5: Other Assets

Include all other assets (current and non-current) in the appropriate categories provided. List all individual assets greater than 5% of total other assets and list the total of others not individually greater than 5%. The ending balances for current assets should agree to A/C 140 and non-current assets to A/C 165 of the Balance Sheet.

4.04 Report #6: Other Liabilities

Include all other liabilities (current and non-current) in the appropriate categories provided. List all individual liabilities greater than 5% of total other liabilities and list the total of others not individually greater than 5%. The ending balances for current liabilities should agree to A/C 240 and non-current liabilities to A/C 255 of the Balance Sheet.

4.05 Report #7: Medical Claims Payable (RBUCs and IBNRs)

Received but unpaid claims (RBUCs) are to be reported by the appropriate expense and aging (i.e., 1-30 days, 31-60 days, 61-90 days and over 90 days) categories. A claim becomes an RBUC the day it is received by the Contractor, not the day it is processed/adjudicated. The incurred but not reported (IBNR) claims should be reported in the IBNR column by the appropriate category. The medical claims payable for hospitalization, medical and other should agree to the total on the Institutional lag, the HCBS lag, the Acute Care lag and the Other Medical lag. Report #8A-8D total remaining liability ties to Report #1 A/C 220 Medical Claims Payable and Report #7 Total Claims Payable.

4.06 Report #8A-8D: Lag Reports for Prospective Period ONLY

The instructions below apply the Institutional Lag, HCBS Lag, Other Medical Compensation Lag and Acute Only Lag reports. These schedules are for prospective period information.

The schedules are arranged with dates of service horizontally and quarter of payment vertically. Therefore, payments made during the current quarter for services rendered during the current quarter are reported on row 1, column 2, while payments made during the current quarter for services rendered in prior quarters are reported on row 1, columns 3 through 8. Do not include risk pool distributions or sub-capitation as payments in this schedule.

Expense reported in the current period on the Lag Reports should equal the expenses reported in the statement of Operations (Report #2) less the PPC expenses.

The schedules allow for the inclusion of an adjustment (e.g., for provider refunds) amount to the lag schedule. A general explanation of any adjustments should be included in the footnotes as well as additional detail if any adjustment is greater than 5% of total medical claims payable.

4.07 Report #9: Long-term Debt (Other than Affiliates)

List all loans, notes payable and capital lease obligations by lender as well as by current and long-term portions of outstanding principle at the end of the quarter (exclude debt to affiliates, this is to be reported on the Due (to) from Affiliates line). The totals should equal the amounts reported on the Balance Sheet – A/C's 230 and 245.

4.08 Report #10: Analysis of Profitability by County

This report provides an analysis of revenues and expenses by county by medicare/non-medicare group classification. A report is to be completed for each county in which the Contractor operates, and in total. The instructions for the Statement of Operations are to be utilized in defining line items on this report. The sum totals of all line items for all counties should equal the Statement of Operations.

Investment Income and Total Administration expense are to be allocated to the counties proportionately, based on a common factor such as member months or capitation revenue.

4.09 Report #11A & 11B: Utilization

These reports are used to capture enrollment, member months, and utilization statistics by county, using Medicare/Non-Medicare categories on a quarterly basis. Report 11A will be used to capture enrollment, member months, and utilization statistics for each county. Additional copies of this form should be made as necessary. Report 11B will be used to total all counties enrollment, member months, and utilization statistics.

Enrollment

Include:

The number of members enrolled with the Contractor on the last day of the month (or quarter) for which the report is being prepared.

Member Months

Include:

The total member months for each category (Medicare and Non-Medicare) for the current period and year-to-date. A member month is equivalent to one member for whom the Contractor has recognized capitation-based revenue for the entire month. When revenue is recognized for part of a month for a given individual, a partial, pro-rated, member month should be counted. A partial member month is pro-rated based on the actual number of days in a particular month.

Admissions

Include:

A member admitted to an acute care inpatient facility, a member admitted to an acute care facility and subsequently transferred to another acute care facility, a member admitted as a result of their emergency room visit and a member hospitalized at the time of enrollment with the Contractor (this would include behavioral health inpatient admissions).

Exclude:

Admission to non-acute care facilities, whether freestanding or within an acute care facility. Non-acute care facilities include: Rehabilitation, skilled nursing, behavioral health or clinical dependence facilities.

Patient Days

Include:

The number of patient days of care provided during the month. Count each day during the month related to the hospital stay regardless of the payer; this would

include all of the patient days for patients admitted from the emergency room. For new members previously hospitalized on the day of enrollment, count only the days beginning with the date of enrollment.

Exclude:

Short stay/observation visits regardless of the length of stay and patient days in non-acute care facilities.

Discharges

Include:

Discharges and deaths that occurred during the month. Count as a discharge a transfer to a non-acute care setting and the disenrollment of a hospitalized member during the month, even if the person continues to be hospitalized.

Exclude:

Transfers between acute care facilities and discharges from non-acute care facilities.

Discharge Days

Include:

The days associated with each discharge, including the day of admission. Discharge days can overlap a month if the admission occurred in the previous month but the discharge occurred during the current month.

Exclude:

The day of discharge.

Emergency Room Visits

Include:

All visits to the emergency room regardless of the level of care received.

Exclude:

Emergency room visits, if they result in a subsequent admission. Visits to emergency rooms that are determined, after subsequent review, not to be emergencies. Exclude all visits to other than hospital emergency rooms regardless of the level of care received.

4.10 FQHC Reasonable Cost Reimbursement Report

List quarterly member month information by category (i.e., Categorical by SOBRA/AFDC and SSI, Categorical Linked Expansion, Federal Non-Categorical Linked Expansion, and Federal Non-Categorical Linked Conversion) for each FQHC. Any member assigned to the FQHC on the 1st day of the month should be counted as one member month. Partial months will not be counted.

Report total fee-for-service and capitation amounts paid during the reporting period, by FQHC.

Contractors are responsible for maintaining a detailed listing, by month, of members submitted. Listing should include member name, AHCCCS ID#, primary care physician, FQHC assigned, rate code and amounts paid. This list may be subject to AHCCCS review.

4.11 HIV/AIDS Supplemental Payment Report

List an unduplicated count of members, by category, by month, using the approved HIV/AIDS medications. The Contractor must develop a means for ensuring that the member is actually receiving the HIV/AIDS medication. The member must have been enrolled with the Contractor for at least 15 days of the applicable month that they received an HIV/AIDS medication.

Adjustments can be made for the two previous quarters; in the event that the Contractor under-reported qualified members receiving HIV/AIDS medications. Contractors also should use the HIV/AIDS Supplemental Payment Report adjustment form for previous quarters to notify AHCCCS of any over-reporting of qualified members, regardless of the length of time involved, and should provide an explanation for any adjustments reported, whether due to under-reporting or over-reporting.

The Contractors should submit to AHCCCSA, along with the HIV/AIDS Supplemental Payment Report, a pharmacy log and a monthly detailed listing of members submitted for payment on the quarterly HIV/AIDS Supplemental Payment Report. The pharmacy log should contain the member name, AHCCCS ID, the month the payment was made, the dispense date and the NDC code. The monthly detailed listing of members should include the month, member name and AHCCCS ID number.

4.12 Consolidated or Parent Company Financial Statements (if applicable)

Contractors that are a wholly owned subsidiary of another organization must submit quarterly unaudited financial information of the parent or sponsoring organization (balance sheet and income statement only).

4.13 Annual Financial Disclosure Statement

An annual financial disclosure statement must be submitted to AHCCCSA 120 days after year-end. The financial disclosure statement, and instructions for completion, may be found in the current Request For Proposal.

4.14 Annual Reconciliation

In addition to the annual audited financial statements, a reconciliation of the Contractor's final year-to-date quarterly financial statements to the draft annual audited statements must be submitted with the draft-audited statements. If there are changes between the draft and the final audited statements, a reconciliation of the Contractor's final year-to-date quarterly financial statements to the final annual audited statements must be submitted with the final audited statements.

4.15 Parent Company Annual Audit Report (if applicable)

Contractors that are wholly owned subsidiaries must submit audited financial statements of the parent or sponsoring organization no later than 120 days after the parent company's fiscal year end.

4.16 Management Services Subcontractor Annual Audit Report (if applicable)

A management services subcontractor is a person or organization that agrees to perform any administrative function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to AHCCCSA under the terms of the contract. Management services subcontractors that have oversight responsibilities for the Contractor's program operations (such as third-party administrators, management companies, claims processing contractors) are required to have an annual financial audit. A copy of this audit shall be submitted to AHCCCSA, Division of Health Care Management, within 120 days of the subcontractor's fiscal year end. If services billed by a consultant or actuary are less than \$50,000 annually, AHCCCSA will waive the requirement for an audit of that consultant or actuary.

4.17 Quarterly Premium Tax Report

Submit a copy of the Quarterly Premium Tax Report that was filed for the reporting period. See Appendix 6.04 for an example of this report.

5.0 ACCOUNTING AND REPORTING ISSUES

5.01 Medical Claims Liability (Including Claim Estimations RBUCs and IBNRs)

There are three primary components of claims expense:

- Paid claims,
- Received but unpaid claims (RBUCs). A claim is considered an RBUC immediately upon receipt by the Plan and should be tracked as such. The processing status of an RBUC is either pending, in process or payable, and
- Incurred but not reported claims (IBNRs).

The first two components of claims expense are readily identifiable as part of the basic accounting systems utilized by the Plans. Since these components, along with a well-established prior authorization and referral system, form the basis for estimation of IBNRs, it is important that Plans have adequate claims accrual and payment systems. These systems must be capable of reporting claims on an incurred or date of service basis, have the capacity to highlight large outlier cases, possess sufficient internal controls to prevent and detect payment errors, and conform to regular payment patterns. Once IBNR estimates have been established, it is imperative that the Plans continually monitor them with reference to reported and paid claims.

Claims expense cannot be properly evaluated without adequate consideration of current trends and conditions. The following summarizes claims environment factors that should be considered:

- Changes in policy, practice, or coverage
- Fluctuations in enrollment by rate code category
- Expected inflationary trends
- Trends in claims lag time
- Trends in the length of hospital inpatient stay by rate code category
- Changes in rate code case mix
- Changes in contractual agreements

Elements of an IBNR System

IBNRs are difficult to estimate because the quantity of service and exact service cost are not always known until claims are actually received. Since medical claims are the major expenses incurred by AHCCCS Plans, it is extremely important to accurately identify costs for outstanding unbilled services. To accomplish this, a reliable claims system and a logical IBNR methodology are required.

Selection of the most appropriate system for estimating IBNR claims expense requires judgment based on a Plan's own circumstances, characteristics, and the availability and reliability of various data sources. Using a primary estimation methodology, along with supplementary analysis, usually produces the most accurate IBNR estimates. Other common elements needed for a successful IBNR system are:

1. An IBNR system must function as part of the overall financial management and claims system. These systems combine to collect, analyze, and share claims data. They require effective referral, prior authorization, utilization review and discharge planning functions. Also, the Plan must have a full accrual accounting system. Full accrual accounting systems help properly identify and record the expense, together with the related liability, for all unpaid and unbilled medical services provided to Plan members.
2. An effective IBNR system requires the development of reliable lag tables that identify the length of time between provision of service, receipt of claims, and processing and payment of claims by major provider type (hospital, medical compensation and other medical). Reliable claims/cash disbursement systems generally produce most of the necessary data. Lag tables, and the projections developed from them, are most useful when there is a sufficient, accurate claim history, which shows stable claims lag patterns. Otherwise, the tables will need modification, on a proforma basis, to reflect corrections for known errors or skewed payment patterns. The data included in the lag schedules should include all information received to date in order to take advantage of all known amounts (i.e., RBUCs and paid claims).
3. Accurate, complete, and timely claims data should be monitored, collected, compiled and evaluated as early as possible. Whenever practical, claims data collection and analysis should begin before the service is provided (i.e., prior authorization records). This prospective claims data, together with claims data collected as the services are provided, should be used to identify claims liabilities.
4. Claims data should also be segregated to permit analysis by major rate code, county, major provider, and category of service.
5. Subcontractor agreements should clearly state each party's responsibility for claims/encounter submission, prior notification, authorization, and reimbursement rates. These agreements should be in writing, clearly understood and followed consistently by each party.
6. The individual IBNR amounts, once established, should be monitored for adequacy and adjusted as needed. If IBNR estimates are subsequently found to be significantly inaccurate, analysis should be performed to determine the reasons for the inaccuracy. Such an analysis should be used to refine a Plan's IBNR methodology if applicable.

There are several different methods that may be used to determine the IBNR amount. Examples include, but are not limited to, Case Basis, Average Cost and Lag Tables. The Contractor should employ the one that best meets its needs and accurately estimates its IBNR. The IBNR methodology used by the Plan must be evaluated by the Contractor's Independent Public Accountant or actuary for reasonableness. A description of the process should also be included in the footnotes to the financial statements under the Summary of Significant Accounting Policies.

5.02 Reinsurance

Reinsurance provides reimbursement to the Contractors when extraordinary costs associated with a member are incurred during a contract year. Specific deductible amounts and reimbursement rates are in the current Request for Proposal, including any amendments.

AHCCCS rules require Contractors to pay the medical expenses relating to reinsurance prior to reimbursement from AHCCCS. This creates a receivable from AHCCCS to the Contractors. The receivable consists of two components; known claims and unknown claims. The known claims have been received by the Contractor. The unknown portion of the receivable relates to expenses for which the Contractor has not received claims, and should be tied into the Contractor's IBNR estimates.

5.03 Related Parties/Affiliates

AHCCCS monitors the existence of related party transactions in order to determine if any significant conflicts of interest exist in the Contractor's ability to meet AHCCCS objectives. A related party or affiliate may be defined as anyone who has the power to control or significantly influence the Contractor or be controlled or significantly influenced by the Contractor. Accordingly, subsidiaries, parent companies, sister companies, and entities accounted for by the equity method are considered related parties, as are principal owners, Board of Director members, management, and their immediate families, and other entities controlled or managed by any of the previously listed entities or persons, including management companies. Related party transactions include all transactions between the Contractor and such related parties, regardless of whether they are conducted in an arm's length manner or are not reflected in the accounting records (e.g., the provision of services without charge or guarantees of outstanding debt).

Transactions with related parties may or may not be in the normal course of business. In the normal course of business, there may be numerous routine and recurring transactions with parties who meet the definition of a related party. Although each party may be appropriately pursuing its respective best interest, transactions between them must be disclosed and reviewed for reasonableness.

5.04 Financial Viability Standards and Performance Guidelines

AHCCCSA has established financial viability standards and performance guidelines. On a quarterly basis, AHCCCSA reviews the following ratios with the purpose of monitoring the financial health of the Contractor. The two financial viability standards, Current Ratio and Equity per Member, are the standards that best represent the financial solvency of the Contractor. Therefore, the Contractor must comply with these two financial viability standards.

Current Ratio

Standard: At least 1.00

Current assets divided by current liabilities.

Included: Long-term investments that can be converted to cash within 24 hours without significant penalty. Significant penalty would be greater than 20% of the long-term investment total.

Equity Per Member

Standard: At least \$2,000.00

Equity less performance bond reported on balance sheet divided by number of members at the end of the reporting period.

00Other

AHCCCSA will also monitor the Medical Expense Ratio, the Administrative Cost Percentage, and the RBUC's Days Outstanding. These guidelines are analyzed as part of AHCCCSA's due diligence in financial statement monitoring.